



Mitchell Adams, Commissioner  
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# CITY & TOWN

A Publication of the Massachusetts Department of Revenue's Division of Local Services

## Local Government Partnership Generates Enthusiasm written by Jean McCarthy

Municipal officials often lament the lack of citizen participation in government. The Division of Local Services has a program to help combat apathy. A Local Government Partnership (LGP) is a year-long educational program developed by the Division of Local Services and conducted by high school social studies departments, local municipal officials and state legislators in the public school system. "The goal," according to Deputy Commissioner Joseph Chessey, "is to ensure that students have a better understanding of government, especially local government, and to encourage them to participate in their own communities."

Communities that have instituted Local Government Partnerships have experienced increased voter registration and government participation by LGP students. In Ludlow, one high school senior was elected to town council and another joined the planning board as an associate member. An Athol student has become a non-voting member of the school committee. In Palmer, Todd Smola, elected to the planning board last year, served as that board's "municipal teacher" for the LGP this year. Todd is very enthusiastic about the program. "Many students see government as aloof and distant. Participating in the Local Government Partnership program makes it real and jump starts the students' interest in government" according to Todd. When Todd taught his class, he brought in plans for the expansion of a local restaurant. He encouraged discussion of the issues surrounding the expansion.

Some students became so interested that they attended planning board meetings.

Ludlow, Palmer, Shrewsbury, Avon, and Athol have instituted Local Government Partnership programs in their high school curricula. In September, the number of participating communities will almost double. Stoughton High School, Ashburnham/Westminster Regional High School, South Shore Voc-Tech and Winchendon High School will be implementing their own LGP curricula.

### *LGP encourages participation.*

Under the program, students have the opportunity to meet with various local and state officials to learn about government's structures and procedures. Local officials and state legislators follow prepared lesson plans to explain their roles and responsibilities. Students learn about the duties of the selectmen or mayor, finance committee, assessors, planning board, treasurer, city/town clerk, tax collector, police and fire departments and other government officials. State legislators discuss the roles and responsibilities of a senator or a representative, as well as how laws are made on the local, state and federal levels. They explain how parties, politics and citizens play a role in public policy.

Students may choose to participate in a voluntary portion of the program where

they have the opportunity to join in several town hall functions. Most programs include the opportunity to attend the annual town meeting as part of the curriculum.

Students engage in a dialogue with elected and appointed officials. Nancy Allen, Director of Public Health, Town of Shrewsbury, states "The Local Government Partnership program provided an excellent opportunity for me to hear the students' opinions on the environment, our resources, and programs. It was an interesting interchange of ideas and information."

The Local Government Partnership received the Kenneth E. Pickard Memorial Innovation Award in 1997. The Massachusetts Municipal Association (MMA) gives the award to communities which "are continuing to formulate new approaches to solving problems and delivering services." The Town of Ludlow received first place for submitting the program to the MMA. ■

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# LEGAL

*in Our Opinion*

## Court Rules Excise Valuation System Constitutional

The motor vehicle excise, which is imposed for the privilege of registration,<sup>1</sup> annually generates almost \$300,000,000 in revenues for cities and towns. The excise is second only to property taxes as a source of locally generated revenues. State and local officials naturally became interested when the valuation methodology was challenged and became the subject of a Supreme Judicial Court case.<sup>2</sup>

Although the manufacturer's list price for a 1994 Ford truck was \$84,332, the transportation company paid \$53,659 due to a fleet discount. On the application for registration the company listed Medford as the principal place of garaging. In September 1994, the City of Medford sent a motor vehicle excise bill for \$1,106 based on a \$75,900 value. The Registry of Motor Vehicles determined this value by applying the statutory percentage (90 percent) to the manufacturer's list price for a truck of the same make, type, model, and year of manufacture.<sup>3</sup> The Registry obtained the list price for trucks from National Market Reports, Inc. which publishes *The Truck Blue Book*. The company filed a timely abatement application claiming that the excise should have been calculated on the vehicle's actual sale price rather than the higher manufacturer's list price.

The Medford assessors denied the application and the company appealed to the Appellate Tax Board (ATB). When the ATB ruled in favor of the City, the taxpayer appealed to the Supreme Judicial Court. Seeking to uphold the decision of the ATB, the Attorney General intervened on behalf of the Commissioner of Revenue.

On appeal, the Court first examined the language of M.G.L. Ch.60A Sec.1 which provides in pertinent part:

For the purpose of this excise the value of each such motor vehicle or trailer shall be deemed to be the value, as determined by the Commissioner [of Revenue], of motor vehicles or trailers of the same make, type, model and year of manufacture as designated by the manufacturer, but not in excess of the following percentages of the list price established by the manufacturer. ...

In the Court's view, the statutory purpose was not to apply a fair cash value standard to the valuation of *each* individual vehicle. Rather, the intent of the statute was to value collectively all vehicles in the same classification based on the manufacturer's list price. In keeping with the legislative purpose, the Commissioner had decided to employ standardized Blue Book values rather than an individualized approach to value. The Court, therefore, ruled that the value for purposes of motor vehicle excise was not statutorily required to be the purchase price.

The Court then addressed the company's argument that the Commissioner's valuation methodology violated federal and state constitutional requirements. Citing prior decisions, the Court held that M.G.L. Ch.60A's use of manufacturer's list price did not violate due process requirements. Although standardized values were not perfect, the use of approximate values was not entirely arbitrary. The vehicle itself was not directly taxed, as would be true with a property tax, but rather the excise was imposed for the privilege of registration. Furthermore, the use of manufacturer's list price was not excessive since Chapter 60A's depreciation schedule resulted in a vehicle in

later years being valued at less than market value. For example, a truck in the fourth year would probably be worth more than the 25 percent of its list price which was the amount in the schedule. The taxpayer, therefore, was not deprived of its due process rights.

The company's claim that the excise violated the state constitution also lacked merit. Unlike ad valorem property taxes which must be proportional and reasonable, the State Constitution merely requires excises to be reasonable.<sup>4</sup> This legal standard, in the Court's view, was satisfied by fair approximations to calculate the value of the privilege. A precise valuation methodology was not required under the state constitution.

Consequently, the Court agreed with the Appellate Tax Board that M.G.L. Ch.60A establishes "an automated, efficient, and equitable process of assessing the excise on all motor vehicles registered in the Commonwealth." The taxpayer's claim that excise must be based on sale price was rejected. ■

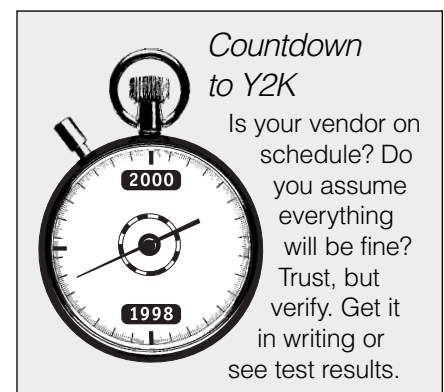
*written by James Crowley*

1. M.G.L. Chapter 60A.

2. *Lily Transportation Corp. v. Assessors of Medford* 427 Mass. 228 (1998).

3. M.G.L. Ch.60A Sec.1.

4. Part II, Chapter 1, Section 1, Article IV.



# FOCUS

## on Municipal Finance

### Municipal Debt FY93–FY97

Debt service and outstanding debt are significant components of a community's fiscal health. High levels of debt are prevalent in growing suburban communities and older urban communities with considerable capital needs. This article examines recent trends in borrowing by Massachusetts cities and towns. The analysis will rank all cities and towns using two widely accepted methods: debt service<sup>1</sup> as a percent of budget and debt outstanding<sup>2</sup> as a percent of total assessed value. The article also looks at what communities buy with their bond proceeds.

Lower interest rates and increasing operating budgets are the major factors contributing to the decrease in the percentage of operating budgets spent on debt service from 8.5 percent in FY93 to 6.2 percent in FY97 (*Figure 1*). Interest rates reached an historic 20-year-low during FY93. From July 1992 to June 1995 operating budgets increased by 10.1 percent as a result of increases in state aid, local estimated receipts and improved tax collections. Lower rates and increased budgets tell most but not all of the story, since communities also benefited by "refinancing" older high interest bonds.

When combined, these positive factors produce a 6.2 percent statewide average of debt service as a percent of operating budgets in FY97 as shown in *Table 1*. Debt levels based on this indicator are considered low according to an article prepared for the National Government Finance Officers Association (*Government Finance Review*, August 1991). According to this report, local government is considered low at 0–8 percent, medium at 8–15 percent and high when more than 15 percent of the operating budget is spent on debt

service costs. It is important to note that the authors of the GFOA report include "overlapping debt" in their analysis. Overlapping debt is debt that is paid by a community, but is issued by other entities such as regional schools, water and sewer commissions and counties. Since this analysis is based on information from Schedule A, it does not include overlapping debt. Communities in regional school districts or the MWRA, for example, should consider overlapping debt in evaluating their debt positions.

*Figure 1* also demonstrates that the amount of debt outstanding as a percent of the total assessed value of real and personal property increasing at a moderate, stable rate. Although this indicator increased from 1.06 percent to 1.62 percent during the period, the increase has not resulted in greater pressure on operating budgets due to the combination of factors discussed above. Using the GFOA report as a guide, 0–2 percent is considered low, 2–5 percent is medium, 5–8 percent is above average and 8 percent is considered high.

Local government in Massachusetts provides a mix of school, police, fire and public works services. Not surprisingly, the purposes for which cities

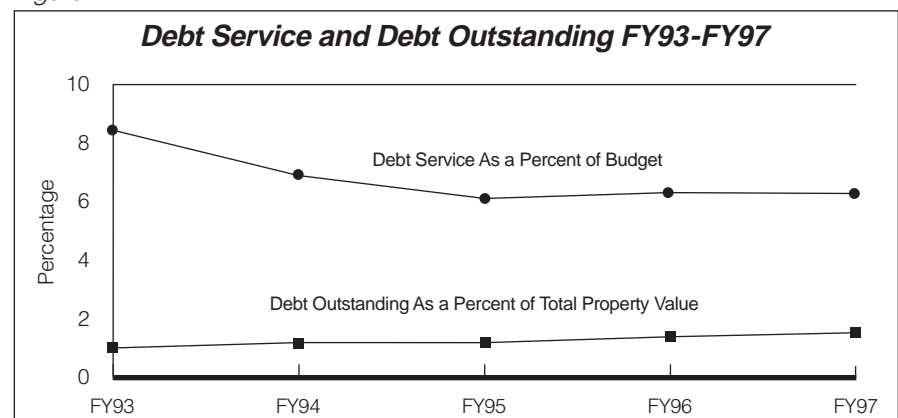
and towns borrow money closely mirror those service areas. *Figures 2 and 3* detail the purposes which comprise local bond sales. The charts list the most common purposes for borrowing and display each purpose as a percentage of all debt issued that fiscal year.<sup>3</sup>

Readers familiar with local government finance will not be surprised to see that schools are the single largest category followed at a great distance by sewer, water and municipal buildings. Although individual categories fluctuate from year-to-year, they also do not seem to change dramatically over the five-year period. A more detailed analysis reveals that very large projects bonded by an individual community or small groups of communities create peaks and valleys on each chart.

School construction averages approximately 43 percent of all debt issued. Peak years in FY93 and FY95 were created when a few large school building projects were either financed or re-financed. During FY93 Palmer, Sandwich and Springfield all issued bonds for \$20 million or more, and Brookline, Plymouth and Winchendon each issued bonds in excess of \$13 million for school purposes. One of our state's

*continued on page six ➡*

*Figure 1*



## FY97 Debt Service as a Percentage of Operating Budgets and FY97 Outstanding Debt as a Percentage of Assessed Value

	Debt Service*	As a % of Budget	Rank	Debt Outstanding**	As a % of Value	Rank		Debt Service*	As a % of Budget	Rank	Debt Outstanding**	As a % of Value	Rank
Abington	1,373,173	5.83	157	9,751,774	1.48	124	Chicopee	3,379,376	3.80	232	32,208,000	1.64	108
Acton	424,344	1.08	308	770,000	0.05	322	Chilmark	155,536	4.64	198	461,000	0.05	320
Acushnet	57,044	0.42	322	5,725,200	1.31	139	Clarksburg	47,634	2.13	279	630,660	1.13	135
Adams*	99,750	1.10	307	2,925,000	0.97	181	Clinton	1,297,591	6.70	134	15,370,000	3.25	33
Agawam	1,514,554	3.49	241	13,805,094	1.02	171	Cohasset	1,478,994	8.00	88	12,588,500	1.50	122
Afford	0	0.00	329	130,000	0.15	295	Colrain	38,422	1.86	285	62,100	0.07	317
Amesbury	2,829,638	9.42	66	24,220,624	3.18	33	Concord	3,274,896	8.78	76	18,145,000	0.80	205
Amherst	2,869,103	6.73	133	16,645,000	1.65	106	Conway	408,999	12.50	24	2,850,000	2.58	53
Andover	6,955,242	9.30	69	65,560,000	2.12	75	Cummington	102,309	7.90	95	484,158	0.79	206
Arlington	1,957,801	2.62	285	18,731,690	0.67	224	Dalton	67,980	0.78	316	1,665,000	0.52	246
Ashburnham	550,978	8.81	74	6,340,431	2.49	57	Danvers	2,514,108	4.70	195	24,619,000	1.29	142
Ashby	25,927	0.75	317	22,834	0.02	327	Dartmouth	2,165,257	5.24	181	13,112,000	0.69	221
Ashfield	187,110	7.88	96	120,000	0.11	306	Dedham	588,052	1.31	301	3,270,625	0.20	287
Ashland	1,892,511	7.99	90	20,811,185	2.37	63	Deerfield	824,314	9.24	70	5,870,000	1.81	95
Athol	466,198	5.20	182	3,776,800	1.17	150	Dennis	1,361,678	5.35	178	7,600,859	0.38	262
Attleboro	8,789,994	12.97	20	92,470,904	5.75	11	Dighton	87,858	1.26	302	606,700	0.21	286
Auburn	943,614	3.91	225	5,220,000	0.62	229	Douglas	1,211,324	11.21	40	6,850,727	2.21	72
Avon	0	0.00	330	0	0.00	333	Dover	577,506	4.60	202	1,305,600	0.15	296
Ayer	964,253	5.58	166	12,318,290	2.31	67	Dracut	2,708,898	6.95	126	15,881,634	1.37	132
Barnstable	7,268,007	7.79	103	65,955,186	1.44	126	Dudley	686,230	8.38	82	5,102,363	1.40	130
Barre	924,763	15.95	9	5,637,991	2.99	43	Dunstable	211,060	5.80	160	369,000	0.20	288
Becket	18,096	0.66	319	592,000	0.30	276	Duxbury	1,367,646	4.11	216	10,387,000	0.75	211
Bedford	3,089,844	8.56	78	11,800,000	0.95	183	E. Bridgewater	1,129,968	5.15	183	16,215,000	2.68	50
Belchertown	1,857,468	8.35	84	13,661,936	2.50	55	E. Brookfield	0	0.00	332	100,000	0.09	312
Bellingham	2,807,112	10.00	56	20,348,000	2.22	71	E. Longmeadow	1,336,150	5.09	184	6,300,000	0.68	222
Belmont	3,923,994	7.12	121	21,834,207	0.90	188	Eastham	1,592,495	13.32	17	4,935,000	0.61	230
Berkley	700,626	9.50	64	4,702,000	0.10	298	Easthampton	1,456,488	6.34	141	6,622,000	1.87	162
Berlin	169,422	3.81	230	280,000	0.14	296	Easton	1,816,841	5.45	173	32,615,500	2.88	44
Bernardston	7,420	0.34	326	150,000	0.14	297	Edgartown	1,389,922	9.74	60	21,965,456	1.85	90
Beverly*	2,501,357	3.65	238	19,651,000	0.87	195	Egremont	33,097	1.47	298	445,219	0.26	282
Billerica	4,838,703	6.66	136	28,392,359	1.31	137	Erving	44,865	1.13	306	467,750	0.34	270
Blackstone	94,947	1.20	304	360,500	0.11	307	Essex	228,474	3.84	227	1,195,175	0.42	257
Blackford	32,657	2.31	273	306,687	0.38	261	Everett	1,792,997	2.44	270	12,435,460	0.61	231
Bolton	325,449	4.36	207	10,465,000	2.82	46	Fairhaven	1,291,859	4.98	189	13,293,000	1.51	119
Boston	112,903,689	7.93	94	784,545,000	2.47	59	Fall River	2,451,660	1.63	293	31,399,967	1.18	148
Bourne	2,657,786	9.48	65	16,578,259	1.15	151	Falmouth	2,591,181	4.29	208	17,508,000	0.49	249
Boxborough	865,709	10.32	48	8,528,641	2.16	74	Fitchburg	4,079,109	5.97	154	22,525,000	1.91	83
Boxford	1,447,975	10.01	54	7,625,000	1.02	172	Florida	0	0.00	333	0	0.00	335
Boylston	81,887	1.47	297	675,000	0.26	281	Foxborough	1,685,764	5.55	169	5,571,806	0.52	245
Braintree	670,959	0.97	311	8,806,130	0.37	263	Framingham	4,903,722	3.65	237	40,743,362	1.07	163
Brewster	3,349,863	14.84	13	17,265,000	1.60	112	Franklin	5,264,127	10.37	46	32,165,000	1.83	93
Bridgewater	1,387,593	5.63	164	22,282,547	2.29	69	Freetown	173,550	1.45	299	400,000	0.09	313
Brimfield	486,888	8.81	73	4,050,000	2.40	61	Gardner	2,426,647	7.44	110	23,391,610	4.03	19
Brockton	6,436,257	3.37	244	21,515,408	0.82	203	Aquinnah	85,933	5.82	159	67,916	0.04	325
Brockfield	636,674	13.06	18	4,976,000	4.40	18	Georgetown	1,077,918	8.48	79	23,665,000	5.16	14
Brookline	7,167,697	5.56	167	48,864,300	0.99	176	Gill	88,078	6.09	152	363,450	0.53	243
Buckland	69,777	2.90	255	135,210	0.16	293	Gloucester	4,511,519	7.85	99	68,646,993	3.60	23
Burlington	2,348,760	4.08	217	18,155,000	0.89	192	Goshen	34,738	2.63	263	25,000	0.04	324
Cambridge	19,923,689	7.11	123	79,134,995	1.09	160	Gosnold	2,0821	3.28	247	0	0.00	330
Canton	1,907,131	4.55	205	13,381,629	0.83	199	Grafton	1,201,308	6.24	144	3,960,000	0.59	233
Carlisle	1,293,145	11.41	35	8,190,000	1.51	120	Granby	333,388	4.17	214	2,876,457	1.03	168
Carver	1,857,115	8.12	75	16,883,790	3.55	26	Granville	16,166	16.16	8	8,844,549	3.12	39
Charlton	121,258	7.12	122	187,383	0.31	273	Grt. Barrington	727,419	5.30	179	8,286,500	1.63	111
Chatham	398,951	4.37	206	4,046,400	0.77	208	Greenfield	2,174,520	6.93	127	18,390,828	2.53	54
Chatham	3,716,362	17.77	2	53,572,001	3.35	31	Groton	1,946,008	11.26	38	10,343,785	1.79	98
Chelmsford	5,831,531	9.99	57	32,979,586	1.63	109	Groveland*	581,662	7.75	104	3,727,700	1.24	144
Chelsea	11,864,610	15.53	10	101,493,762	12.41	1	Hadley	1,426,891	17.50	3	10,944,345	3.10	40
Cheshire	53,122	1.80	288	935,000	0.65	225	Halifax	810,940	7.27	116	5,991,350	1.86	89
Chester*	0	0.00	331	0	0.00	334	Hamilton	0	0.00	334	0	0.00	336
Chesterfield	91,246	5.88	155	242,043	0.40	260	Hampden	328,093	5.61	165	1,390,000	0.52	247

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Methuen	4,285,297	6.30	142	63,980,221	3.48	30	Princeton	648,609	12.68	23	5,506,000	2.42	60	Tyringborough	1,844,890	10.36	47	11,801,562	2.37	64
Middleborough	2,458,829	6.85	129	12,638,000	1.44	127	Provincetown	1,139,534	7.06	124	6,930,175	1.12	158	Tyringham	3,377,334	3.80	231	75,854	0.10	309
Middlefield	2,188	0.35	325	3,250	0.02	328	Quincy	9,412,997	5.83	156	109,272,985	2.50	56	Upton	134,093	1.36	284	1,052,537	0.27	280
Middletown	829,028	7.87	97	7,208,800	1.35	136	Randolph	1,379,292	2.92	253	8,498,836	0.60	232	Uxbridge	1,599,574	9.12	72	23,022,010	4.62	17
Milford	3,417,722	7.38	113	29,639,000	2.34	66	Raynham	68,307	0.51	321	450,000	0.60	319	Wakefield*	290,272	0.62	320	4,615,687	0.29	278
Millbury	717,836	4.15	215	5,582,717	1.08	161	Reading	2,616,152	5.55	168	29,447,000	1.84	92	Wales	0	0.00	351	0	0.00	351
Millis	1,169,221	8.43	80	8,988,000	2.01	81	Rehoboth	103,559	1.01	310	2,229,900	0.36	266	Walpole	1,578,454	4.00	220	12,784,054	0.85	197
Millis	1,169,221	8.43	80	8,988,000	2.01	81	Revere	1,071,981	1.44	300	15,445,365	0.97	178	Waltham	3,377,334	2.92	254	10,540,621	0.28	279
Milton	1,180,170	2.44	269	7,142,433	0.41	259	Richmond	61,007	0.83	286	80,671	0.05	321	Ware	5,584,451	3.78	234	5,738,800	1.54	116
Monroe	0	0.00	339	0	0.00	340	Rochester	655,870	7.69	105	4,240,000	1.56	115	Wareham	2,984,006	7.96	93	26,760,799	2.23	70
Monson	1,813,712	12.77	22	13,584,321	3.66	21	Rockland	2,148,588	6.96	125	13,830,000	1.72	102	Warren	192,350	3.71	236	1,307,516	0.72	215
Montague	346,513	3.50	240	3,045,116	0.77	209	Rockport	2,999,521	16.53	7	26,113,239	3.58	25	Warewick	10,529	1.06	309	0	0.00	331
Monterey	35,728	2.03	282	112,000	0.07	318	Rowe	0	0.00	346	0	0.00	346	Washington	2,711	0.35	324	207,265	0.54	241
Montgomery	0	0.00	340	0	0.00	341	Rowley	1,004,047	13.54	16	4,954,500	1.53	117	Watertown	1,316,343	2.19	276	28,194,924	1.31	138
Mt. Washington	0	0.00	341	0	0.00	342	Royalston	79,242	0.00	347	0	0.00	347	Wayland	3,485,988	10.17	50	20,255,000	1.37	134
Nahant	789,235	11.24	39	5,451,123	1.79	99	Russell	79,242	3.37	245	2,578,379	3.63	22	Webster	1,971,747	7.86	98	16,260,006	2.48	58
Nantucket	6,098,177	13.02	19	21,392,585	0.67	223	Rutland	179,325	2.62	284	14,254,090	5.78	10	Wellesley	3,382,834	6.20	145	21,940,000	0.54	242
Natick	2,912,000	4.64	197	46,128,844	1.87	88	Salem	5,526,055	7.96	111	41,950,000	2.12	76	Wellesley	3,382,834	6.20	145	21,940,000	0.54	242
Needham	4,735,083	7.33	115	22,728,844	0.75	212	Salisbury	540,135	4.39	190	7,222,254	1.38	131	Wellfleet	762,270	8.39	81	4,030,000	0.58	235
New Ashford	3,375	0.89	314	15,000	0.08	316	Sandisfield	12,900	0.96	312	0	0.00	332	Wendell*	153,424	11.82	29	951,312	2.38	62
New Bedford	8,551,792	4.78	194	185,460,000	6.61	5	Sandwich	3,336,681	9.90	58	24,154,600	1.66	104	Wenham	106,640	1.61	294	425,000	0.12	305
New Braintree	41,737	3.49	242	136,000	0.29	277	Saugus	1,905,180	4.22	212	22,097,000	1.20	147	W. Boylston	882,561	7.54	108	15,497,500	3.91	20
New Marlborough	109,216	4.61	201	243,600	0.13	300	Savoy	16,721	1.61	295	65,463	0.19	290	W. Bridgewater	843,606	6.15	149	8,075,000	1.65	105
New Salem	148,067	11.90	27	829,218	1.60	113	Schuata	2,015,674	6.02	153	13,587,000	0.94	184	W. Brookfield	19,794	0.42	323	639,500	0.36	267
Newbury	1,549,305	17.15	5	12,625,000	2.63	52	Seekonk	466,882	2.13	280	12,210,000	1.24	143	W. Newbury	553,640	7.97	92	2,263,689	0.71	217
Newburyport	1,420,638	4.61	199	12,764,000	1.14	154	Sharon	3,190,862	9.68	61	16,728,781	1.49	123	W. Springfield	1,260,904	2.57	266	27,642,000	2.09	77
Newton	5,752,000	2.89	256	27,263,304	0.32	272	Sheffield	0	0.00	348	0	0.00	349	W. Stockbridge	90,668	3.26	248	1,542,062	1.04	167
Norfolk	1,060,653	6.78	132	8,797,522	1.47	125	Shelburne*	0	0.00	349	0	0.00	349	W. Tisbury	146,622	2.08	281	523,000	0.09	311
N. Andover	2,078,014	7.12	120	2,078,014	3.30	9	Sherborn	758,753	6.87	128	1,820,000	0.31	275	Westborough	4,607,228	11.60	32	34,466,124	2.36	65
N. Andover	4,473,058	10.65	43	62,866,824	3.50	29	Shirley	199,730	2.66	261	1,350,000	0.57	236	Westfield	8,152,184	11.00	42	50,900,000	3.14	37
N. Attleborough	3,437,841	7.81	101	47,940,037	3.54	27	Shrewsbury	2,366,829	5.46	172	16,270,000	0.93	185	Westhampton	2,901,140	8.00	89	23,954,000	1.58	114
N. Brookfield	606,848	7.82	100	5,133,244	2.77	47	Shutesbury	377,435	11.39	37	3,506,622	3.17	36	Westminster	614,871	6.67	135	3,175,000	2.99	42
N. Reading	2,728,806	9.51	63	17,040,000	1.72	103	Somerset	1,839,045	5.38	176	11,420,000	0.86	196	Weston	2,681,519	7.68	106	19,105,000	0.87	182
Northampton	5,239,526	10.59	45	43,050,000	3.09	41	Somerville	5,865,324	4.86	192	53,259,935	1.89	85	Westport	294,569	1.65	292	1,075,000	0.10	310
Northborough	1,574,225	7.14	119	10,704,684	1.14	152	S. Hadley	923,221	3.83	228	7,363,345	0.98	178	Westwood	1,984,577	5.79	161	9,981,724	0.85	226
Northbridge	1,273,721	6.20	146	3,821,800	0.73	213	Southampton	1,045,226	13.78	14	9,140,326	3.33	32	Weymouth	3,709,423	4.24	210	29,385,875	1.14	153
Northfield	399,886	11.40	36	3,069,532	1.90	84	Southborough	611,454	3.96	223	11,020,000	1.37	135	Whately	508,056	18.28	1	3,762,681	3.50	28
Norton	1,030,858	3.64	239	7,895,000	1.03	170	Southbridge	2,914,785	10.01	55	23,145,000	4.66	16	Whitman	1,585,804	9.32	68	9,900,000	1.89	86
Norwell	592,923	2.76	257	10,638,000	1.05	164	Southwick	622,879	6.30	143	3,440,000	0.82	202	Wilbraham	758,863	4.08	218	3,441,028	0.42	258
Norwood	128,010	0.16	327	407,250	0.02	326	Spencer	792,943	8.23	85	4,728,330	1.04	166	Williamsburg	255,231	7.52	109	2,250,244	1.63	110
Oak Bluffs	1,609,510	11.92	25	12,383,472	1.82	94	Springfield*	12,810,682	3.99	221	104,486,714	2.74	48	Williamstown	462,751	3.82	229	4,014,000	0.78	207
Oakham	0	0.00	342	175,000	0.20	289	Sterling	189,311	1.96	283	1,978,000	0.48	250	Wilmington	1,779,081	4.58	204	2,827,100	0.19	292
Orange	770,452	6.09	151	4,174,387	1.85	91	Stockbridge	0	0.00	350	0	0.00	350	Winchendon	2,107,530	11.56	33	19,415,000	6.29	7
Orleans	1,676,185	10.03	53	4,810,000	0.42	256	Stoneham	1,193,379	2.93	252	4,948,385	0.36	264	Winchester	2,377,587	5.29	180	13,441,010	0.64	227
Oris	0	0.00	343	0	0.00	343	Stoughton	1,842,005	3.79	233	13,838,660	0.97	180	Windsor	27,534	2.68	260	24,606	0.04	323
Oxford	335,638	1.82	287	450,000	0.29	314	Stow	376,431	3.74	235	5,457,788	1.21	146	Winthrop	859,337	3.15	249	4,095,000	0.53	244
Palmer	3,595,004	16.72	6	27,379,400	5.98	13	Sturbridge	650,650	4.79	193	4,234,628	0.90	190	Woburn	1,654,845	2.36	271	17,764,000	0.71	219
Paxton	221,482	4.21	213	1,015,000	0.43	255	Sudbury	1,724,550	4.60	203	10,050,000	0.58	234	Worcester	33,847,046	10.12	51	289,609,700	5.71	12
Peabody	4,115,058	4.61	200	46,175,000	1.32	118	Sunderland	547,876	12.95	21	3,280,341	2.16	173	Worthington	44,242	2.82	267	62,524	0.08	315
Pelham	14,955	0.72	318	196,000	0.24	283	Sutton	1,476,967	11.92	26	4,721,800	1.13	156	Wrentham	549,298	3.11	250	6,342,500	0.99	175
Pembroke	591,894	2.32	272	1,219,924	0.13	299	Swampscott	2,037,541	7.15	117	20,451,520	1.88	87	Yarmouth	5,425,018	11.85	28	48,304,640	2.31	68
Pepperell	916,162	7.37	114	5,280,000	1.01	173	Swansea	694,648	3.43	243	4,055,000	0.46	251	State totals	742,956,202	6.22		5,901,674,324	1.62	
Peru	17,269	1.71	290	44,000	0.12	302	Taunton	6,520,916	6.65	137	36,869,005	1.75	100							
Petersham	0	0.00	344	0	0.00	344	Templeton	399,185	5.74	162	3,526,060	1.41	128							
Phillipston	0	0.00	345	0	0.00	345	Tewksbury	4,145,862	8.22	86	28,359,960	1.65	107							
Pittsfield	3,344,031	4.24	209	25,870,000	1.41	129	Tisbury	883,253	6.83	130	4,908,000	0.80	204							
Plainfield	18,494	1.74	289	112,098	0.23	284	Tolland	46,904	8.67	77	169,766	0.19	291							
Plainville	407,311	3.97	222	2,925,000	0.73	214	Topsfield	243,692	2.28	275	1,157,000	0.22	285							
Plymouth	5,556,175	5.44	174	34,707,620	1.11	159	Townsend	381,146	3.93	224	1,778,828	0.45	254							
Plympton*	5,940	0.15	328	165,000	0.11	308	Truro*	636,611	10.30	49	5,129,093	0.89	193							

\*Debt Service includes principal and interest on long term debt and interest on BANs.

\*\*Debt Outstanding includes Bonds and Bond Anticipation Notes as of 6/30/97.

This total does not include "overlapping debt."

Communities with (\*) are not final or have not yet submitted Schedule A.

Table 1



## Municipal Debt

→ continued from page three

Figure 2

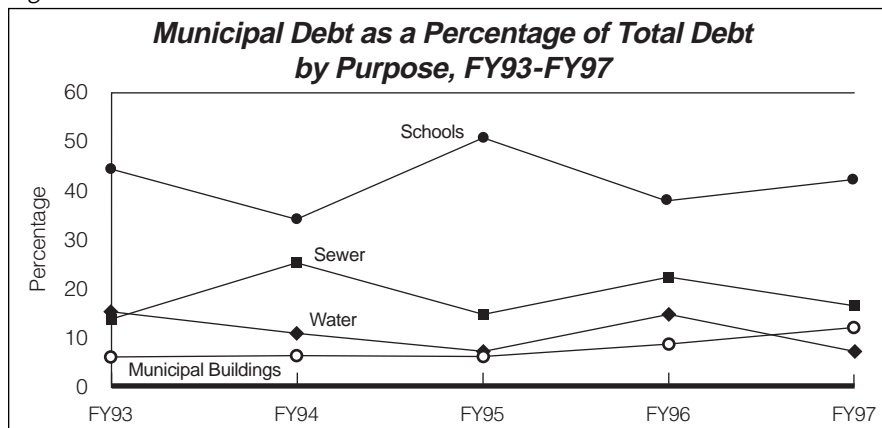
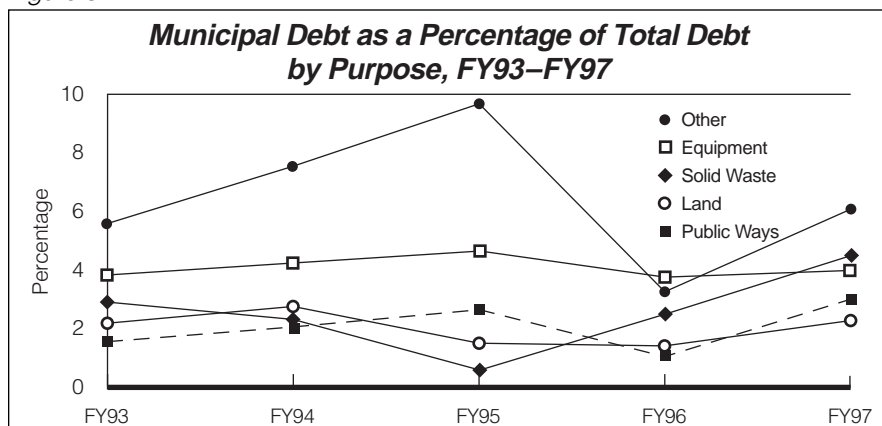


Figure 3



largest local capital projects occurred in FY95 when Chelsea replaced every school in the city at a cost of \$110 million. Chelsea alone accounts for most of the increase that year but Lowell and Barnstable also helped with large projects of their own.

In the sewer department, projects range from 15 percent to 27 percent of all debt issued but do not vary greatly from their 20 percent average over the five-year period. Each one of the peaks in sewer borrowing is attributable to large projects financed by the State Revolving Fund. In June 1993, the Massachusetts Water Pollution Abatement Trust (SRF) issued the first combined bond sale (Pool 1) for \$91

million to provide subsidized financing to 19 municipalities. It later issued \$151 million of refunding bonds in FY96 for New Bedford to refinance a large wastewater treatment plant and harbor clean-up project.

Water projects began the period tied with sewer for second place when Pittsfield, North Andover and Somerset were involved in major drinking water projects. This category slumped until FY96 when the cities of Attleboro, Holyoke and Worcester invested over \$63 million of new money to upgrade their water systems.

One of the most volatile categories is "Other." It begins the period at six per-

cent and ends at six percent but fluctuates considerably in between. Urban renewal projects are included in this category as well as electric light plants, recreation, airports, and industrial development bonds. Urban renewal in Lawrence and electric light projects in Peabody, Concord and Westfield began the upward trend in FY94. Worcester's Medical City project was partially funded in FY95 with \$31 million of new debt.

Overall, local governments in Massachusetts have moderate levels of debt which have been stable for the past three years. Using accepted benchmarks, our cities and towns are conservative both in the amount of money expended for annual debt service and the total amount of principal outstanding. ■

written by Christopher Harrington  
data analysis by Dora Brown

1. Debt Service for this analysis is principal and interest on long term debt plus interest paid on bond anticipation notes (BANs).
2. Debt Outstanding is principal due on bonds and BANs as of 6/30/97.
3. This analysis disregards hospital revenue bonds issued in FY93 and FY94 by Boston and Quincy to prevent data distortion.

## Correction

The article entitled *Abolition of County Government?* which appeared in the August 1998 issue of *City & Town* included incorrect information on a process for establishing a county charter commission. That section of Chapter 48 of the Acts of 1997 was vetoed. ■

# DLS UPDATE

## *Japanese Visitors Learn About Our Property Tax System*

A delegation of seven officials from the Research Center for Property Assessment Systems in Japan met with Deputy Commissioner Joseph J. Chessey Jr. and several of his staff on September 10. The delegation included the president of the Japan Agricultural Land Development Agency, the deputy director of the Property Tax Division of the Ministry of Home Affairs (analogous to the Division of Local Services), the chief analyst of the Institute of Urban Economy, the business manager from the Research Center for Property Assessment Systems and the finance directors of the communities of Hokkaido, Hiroshima and Hamamatsu City. The delegation visited Boston to research the state and local government's role regarding the real property tax and to examine assessment practice and administration. They had specific questions on the appraisal methods used for various property types, the classification of property, the process for handling assessment complaints and how tax rates are determined here. Through an interpreter, the visitors asked detailed questions and shared information about their tax system. The Japanese also have a locally assessed property tax with a January 1 date of assessment and a fiscal year which begins April 1. They use a cost based system with formulas for depreciation. Recently, they have experienced a decline in land values and asked how Massachusetts handled such situations. The delegates were very surprised to learn that assessment information is public record here. In Japan, a taxpayer may only know his own assessment.

When asked why they chose to visit Massachusetts, the Japanese officials responded that a person from Massachusetts headed the Shoup Mission which set up the Japanese property tax system in 1950, so there are similarities between systems. Also, a representative of the International Association of Assessing Officers (IAAO) suggested Massachusetts as a state exemplifying good assessment practices. After their visit to DLS, the delegation visited Atlanta, Georgia, to learn about assessment practices there and then attended the IAAO Convention in Orlando.

In addition to Deputy Commissioner Chessey, the DLS staff participating in the meeting included Jean McCarthy, Gerard Perry, Anthony Rassias and Bruce Stanford. ■

## *Changes at DLS*

Deputy Commissioner Joseph J. Chessey Jr. has announced the promotion of Gerard Perry to Associate Deputy Commissioner of the Division of Local Services. Gerry has served as Director of Administration and Special Projects for DLS for almost two years. Gerry has managed the education reform school audit program since its inception. In his new capacity, Gerry will oversee day-to-day management of the Division. Gerry was with the Department of Revenue's Inspectional Services Division for 13 years before joining DLS. A graduate of Northeastern University, Gerry lives in Swampscott where he served as chairman of the capital improvement committee for six years and chairman of the finance committee for two years.

With the expansion of the audit program, Deputy Commissioner Chessey has announced the creation of the Edu-

cation Audit Bureau and the promotion of Dieter Wahl to serve as its bureau chief. DLS has been performing audits of local school systems under the direction of the Education Management Accountability Board (established by Executive Order 393). Since the audit program began, Dieter has been auditor-in-charge. To date, DLS has audited the Malden, Lowell, Brockton, Lexington, Triton Regional, and Worcester school systems. Dieter, who has been with DOR since 1992, is a graduate of Harvard University and lives in West Newbury where he has been a member of the finance committee.

Judy Luca is the new Assistant Director of the Bureau of Accounts. Deputy Commissioner Chessey announced her appointment in September 1998. In her new capacity, Judy will be responsible for supervising the field staff and establishing accounting policies. A CPA, Judy has been with the Bureau of Accounts for seven years. A graduate of the University of South Dakota, Judy lives in Lexington. ■

## *Congratulations in Order!*

The Town of Great Barrington is the first semi-annual tax billing community to set a tax rate for FY1999. On August 14, James R. Johnson, director of accounts, sent a letter commending Great Barrington for submitting the first tax rate to be reviewed and approved by the Bureau of Accounts for this fiscal year. Great Barrington has been the first to set its tax rate in three of the past four years. ■

## Municipal Fiscal Calendar

### October 31

**Accountant:** *Submit Schedule A for Prior Fiscal Year*

**Selectmen:** *Begin Establishing Next Fiscal Year Budget Guidelines and Request Departmental Budgets*

**Assessors:** *Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for quarterly tax bill communities)*

### November 1

**Taxpayer:** *Semi-annual Tax Bill — Deadline for First Payment*

**Taxpayer:** *Semi-annual Tax Bills — Application Deadline for Property Tax Abatement*

**Taxpayer:** *Quarterly Tax Bills — Deadline of 2nd Quarterly Tax Bill Without Interest*

**Treasurer:** *Deadline for Payment of First Half of County Tax*

### November 15

**Treasurer:** *First Quarter Reconciliation of Cash (due 45 days after end of quarter)*

**Selectmen:** *Review Budgets Submitted by Department Heads*

This date will vary depending on dates of town meeting.

## Job Opportunities

**Project Manager for Technical Assistance** — The primary function of this position is to produce written management reports and financial analyses that evaluate local government financial systems and the effectiveness of financial officials in meeting their statutory and management responsibilities. The project manager will coordinate the work of other Division staff assigned to a given project and will be responsible for monitoring project status (quality, time and schedule). Other job duties include researching various municipal finance topics and writing articles for Division publications such as *City & Town*. Preferred qualifications include a master's degree in public administration, finance or related field with at least two years of government finance experience. Strong analytical, interpersonal and communication skills (written and oral) are required.

**Program Coordinator II** — The Bureau of Local Assessment is seeking an experienced property tax appraiser to administer state mandated valuation programs. Responsibilities will include the valuation of state owned land, commercial and industrial equalized valuation,

centrally assessed utilities, farmland valuations, review of locally assessed utility valuation, etc. Applicants should have bachelor's degree, three years appraisal experience, a recognized appraisal designation and knowledge of mass appraisal valuation systems. Additionally, this position requires sophisticated statistical, analytical and writing abilities as well as strong computer, interpersonal and communication skills. This position will manage staff appraisers during projects and participate in training local officials. Travel may be required periodically.

Send cover letters and resumes to Diane Shepard, Division of Local Services, PO Box 9655, Boston, MA 02114-9655 or fax to (617) 626-2330. ■

## City & Town



*City & Town* is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials. DLS offers numerous publications on municipal law and finance, available by calling (617) 626-2300, or through the DLS World Wide Web site at <http://www.state.ma.us/dls> or by writing to PO Box 9655, Boston, MA 02114-9655.

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